

BOARD FOR PROPRIETARY EDUCATION

Wednesday, September 1, 2021

NEW BUSINESS:

Potential Contract with a Qualified Auditing Firm to Provide Periodic Analyses of Institutional Audited Financial Statements

Staff Recommendation

That the Board for Proprietary Education advises the Commission for Higher Education to contract with a qualified auditing firm to provide periodic analyses of audited financial statements of BPE-authorized institutions, or institutions seeking authorization, to guide the Board in its decision making.

Background

Because of the Board of Proprietary Education's experience with sudden, unplanned closures of BPE-authorized institutions due to their adverse financial positions, as well as uncertainty about the financial health of institutions seeking authorization from BPE, it was determined that the Board needed to go beyond the aggregate federal Financial Responsibility Composite Score (FRCS) to gain better insights into the financial health of institutions overseen by the Board. For this reason, the Commission for Higher Education contracted with Plante Moran, PLLC in May 2021 to explore what financial review metrics would be appropriate to achieve this purpose. The results of this work led the BPE Planning Committee to recommend that the expertise of an auditing firm should be utilized to provide periodic analyses of audited financial statements of BPE-authorized institutions, or institutions seeking authorization, to guide the Board in its decision making.

Supporting Documents

None